



AZNet Overview

9-16-05

Agenda

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- Service Level Agreements (SLAs)
- Key Service Levels
- Projects
- Billing
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Meeting Purpose

- Familiarize agencies with the *AZNet* Contract
- Explain the transition process
- Facilitate *AZNet* and agency introductions and communications

Contract Overview

■ Background

- The solicitation, and resultant contract, were the result of a Legislative Directive: Chapter 263, 1st Regular session, 46th Legislature, Laws of 2003, Section 101, HB 2533
 - “Provide for scalable, centralized statewide voice, video and data converged solution pursuant to the GITA target architecture that will streamline state agency communications and enable other services such as state government N11 abbreviated dialing”

■ Goals and Objectives for Telecommunications Services

- Upgrade statewide networks and supporting technologies
- Consolidate disparate networks
- Consolidate business processes
- Improve service levels
- Improve network security
- Develop and implement a statewide business continuity and disaster recovery program

Contract Overview

■ **Scope of Services**

- Operate, manage and maintain state telecommunications voice and wide area network (WAN) assets and services
- Acquire, operate and maintain new assets and services, as needed, to meet the state's service level requirements
- Transition and support all Arizona Telecommunications Systems (ATS) customers and remaining Executive Branch Agencies

■ **Out of Scope**

- Level 1 Helpdesk
- LAN servers, hardware and applications
- End user workstations, peripherals and equipment
- Web Hosting
- Web email
- Mobile services (PDAs, pagers, cell phones)
- Mainframe assets and operations
- Building wiring
- Online directory

Contract Overview

■ Contract Highlights

- Awarded January 21, 2005 to Accenture
 - The Accenture team includes Calence and Nextira One
- Initial five-year term with two optional 2-year extensions
- Total Contract value, including Carrier costs, is approximately \$200M over the initial five-year term

Benefits to the State

- **Significant investment in a new consolidated, converged statewide backbone network**
 - Increased bandwidth, speed, resiliency and security will be delivered on the shared network using Multi Protocol Layered Switching (MPLS)
 - In-state long distance costs will be reduced by implementing Voice over Internet Protocol (VoIP) capabilities on the Wide Area Network (WAN)
 - Shared infrastructure or “clusters” will be built to support 22k new Internet Protocol Telephony (IPT) seats
- **Improved operational capabilities**
 - 7x24 hour monitoring of WAN and security equipment, PBXs and IPT servers
 - 7x24 hour help desk
 - SLAs with penalties
- **Centralized security upgrades**
 - Agency data security will be improved by installing new equipment between your agency and the Internet:
 - New firewalls and Intrusion Detection (IDS) blades for the core network
 - Extranet security
 - Internet access gateways
 - Access/authentication
 - Security tools

Benefits to the State

- **Predictable pricing**
 - Standardized seat-based prices
- **State of the art billing tools and processes**
 - All in-scope telecommunications bills will be consolidated onto a single agency invoice
 - Web-based tool that is easy to use and provides:
 - Agency specific billing information with drill-down capabilities
 - Automated internal bill approval capabilities
 - Online history of bills and related activities
 - The ability to upload data into Excel for analysis
 - Telecom Expense Management (TEM) improves bill accuracy and reduces billing process complexity:
 - Accenture becomes the State's agent for all carrier bills
 - All bills are automatically validated before appearing on an invoice
 - Changes from the previous bill
 - Applicable tariff rates
 - Applicable tax tables
 - The agency is notified, not invoiced, for disputed charges

Contract Governance

- **State operated Tier 1 Helpdesk**
 - End-to-end ticket management
 - Database for SLA and performance management
- **Telecommunications Program Office (TPO)**
 - Staffed with 11 personnel to manage the contract and the contractor in the following areas:
 - Contract performance
 - Operational performance
 - Programs and Projects
 - Investment and Savings
- **Steering Committee**
 - 10 agency CIO's/telecommunications managers provide operational direction
- **Telecommunications Executive Governance Committee (TEGC)**
 - 13 agency Directors provide strategic direction

Accomplishments to Date

- **13,800 seats have transitioned including:**
 - DOR
 - DEQ
 - DHS
 - AHCCCS
 - DOA
 - Game and Fish
 - GITA
 - Governor's Office
 - Many more
- **Completed over \$1M in technology upgrade projects**
- **Developed a new online proposal and project portfolio management system**
- **Implemented the new billing system**
- **Achieved annualized cost savings of \$983,000**
- **Completed architectural plans for the new statewide converged network with centralized security**
- **Operational performance continues to meet SLAs**
- **Received TEGC approval for FY06 pricing**

Key Phases

■ Key Phases

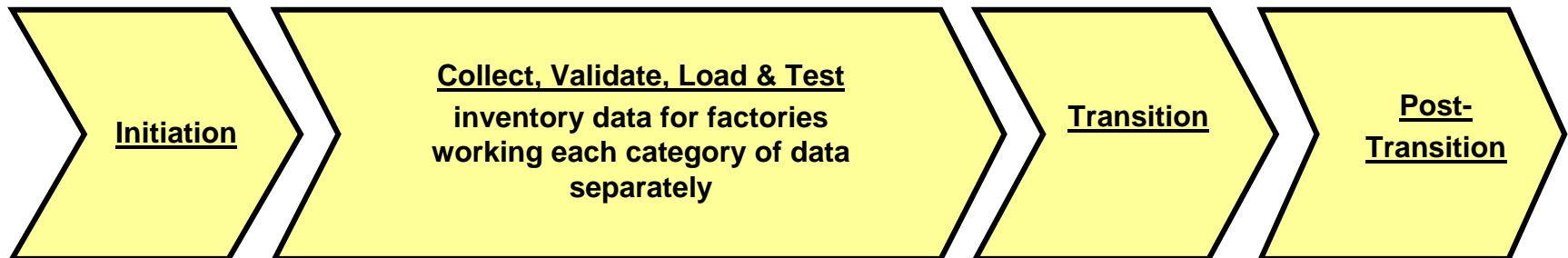
- **Transition: March 2005 through March 2006**
 - Current agency telecommunications services move to Accenture operations, support, management and billing
 - This is not a technology upgrade
 - *AZNet* team will work with each agency approximately 3-4 months prior to the transition of service to gather the appropriate information
- **Transformation: Ongoing**
 - Upgrade of the core network
 - High-speed core backbone
 - VoIP on converged WAN circuits
 - IPT clusters
 - Centralized security
- **Migration: Post transformation; throughout the contract term**
 - Upgrading agency telecommunications services onto the transformed network
 - This occurs after agency transition and network transformation

Order of Transition

- **March 2005**
 - Arizona Telephone System (ATS) and all government entity services provided by ATS
- **September 2005**
 - AHCCCS
 - DEQ
 - DOR
 - G&F
 - DHS
- **October 2005**
 - ADOT
 - Osteopathic Examiners
- **November 2005**
 - DES
 - Water Resources
- **December 2005**
 - ASRS
 - Juvenile Corrections
 - Commerce
 - Real Estate
 - Land
 - Insurance
 - Banking
 - Registrar of Contractors
 - Agriculture
 - Attorney General
- **January 2006**
 - DPS
 - Public Safety Retirement
 - ASDB
- **February 2006 (not a complete list)**
 - ADC
 - Coliseum and Expo
 - Education
 - Gaming
 - Historical Society
 - Lottery
 - Medical Examiners
 - Pioneers Home
 - Veteran's Services
- **March 2006 (not a complete list)**
 - Boxing
 - Chiropractic Examiners
 - Dental Examiners
 - Nursing
 - Cosmetology
 - Commission on the Arts
 - Racing
 - Structural Pest Control
 - Weights and Measures

Transition Process

The 4 Phases of the Agency Transition Project Plan (MS Project)



- Agency work plan reviewed; dates agreed
- Agency assigned lead
- Meeting & Comm schedules
- Use Inventory Workbook sheets to drive independent collection of all sections of data
- 3rd party contracts
- WAN & security data
- Voice equipment
- Seats & Non-seat
- Carrier inventory
- Operations
- Help Desk
- 30 day go-No Go
- Freeze projects/ MACs
- Produce & review 1st bill
- Define punch list
- 5 day Go-No Go
- Final Acceptance
- Correct stabilization report issues

Transition Process

The Inventory Workbook Lifecycle (Collection, Validation, Test & Load)

AZNET ACTIVITIES

1. Pre-populate Collection Worksheets:

- Sites & Voice Equipment
- Seat Information
- Hardware Spares
- WAN & Security Envir.
- Applications & Tools
- Escalation List
- Current Projects
- 3rd Party Contracts
- PONs
- Key Personnel
- Agency Survey
- MAC Allocation
- Carrier Account Info
- Carrier Dispute Info

Ver 0

3. Review Collection Worksheets

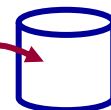
Ver 1

5. Complete Final Check

Ver 2

7. Load Systems (Billing, Help Desk, Inventory)

Ver
Final



AGENCY ACTIVITIES

2. Populate Collection Worksheets

Ver 1

4. Resolve Data Gaps

Ver 2

6. Sign-off on Data Collection Worksheet

Ver
Final



Transition Process

Initiation

Collect, Validate, Load & Test

■ Initiation

- Formal project kick-off meeting
 - Review draft project plan milestones and tasks
 - Review the inventory workbook and data collection process
 - Establish ongoing meeting schedule and communications plan

■ Collect

- This process is the most labor intensive for state personnel and is required to provide *AZNet* all the information needed to:
 - Operate, support and maintain telecommunications equipment and services
 - Respond and repair equipment in accordance with SLAs
 - Generate accurate billing
- Involves inventory collection and documentation of all in-scope telecommunications: equipment, services, contracts and invoices
- Involves the development/documentation of operational processes and procedures so *AZNet* can support your organization:
 - Identify agency personnel authorized to request work from *AZNet*
 - Create outage notification and escalation processes
 - Define technician site access requirements/information
 - Establish lines of demarcation and associated responsibilities
 - Share Business Continuity and Disaster Recovery plans
- The Collection, Validation and Testing of the different sections of the INVENTORY progress independently and in parallel

Transition Process



■ Validate, Load & Test

- This phase is primarily an AZNet function and commences upon receipt of inventory collection information
 - All data is validated and entered into AZNet operational systems
 - Asset Management: repository of all billable
 - BillPort: billing system
 - Remedy: repository of all telecommunications “work requests” or “tickets”
 - Monitoring tools: (where applicable) various tools that monitor voice, data and security 24x7
 - 911 database: 3rd party database that maps a phone number to its physical location for emergency response dispatching
 - All systems and processes are tested

■ Transition

- 30 day Go/No Go review
 - Formal meeting between TPO, AZNet and agency leadership to review project milestones, assess the status of the project and Go/No Go status
- 5 day Go/No Go review
 - Final joint leadership review to validate project status, operational readiness and confirm Go/No Go status
 - Provide and review agency-centric materials to facilitate a smooth transition
 - Operations manual: hard copy and soft copy reference material
 - Punch list: tracking mechanism for post-transition activities
 - Mock bill: estimated bill presented in the new format
- Training is conducted on billing and operational processes prior to transition

■ Post-Transition

- Complete the punch list
- Review the first bill for accuracy
- Close out the project

Definitions

■ **Seat**

- Basic service and pricing unit
- Types of seats:
 - Limited: single line phone without buttons
 - Basic: multi-button phone, single or multi-line, without display or hands-free
 - Executive: display and/or hands-free phone
 - Operator: receptionist/operator positions or set with 22-button add-on module
 - Call Center Basic: position that does not use IVR and/or screen pop functionality
 - Call Center Enhanced: position that uses IVR and/or screen pop functionality
 - Call Center Supervisor: supervisor that manages other agents and/or requests reports

■ **MAC**

- Move, Add, Change of voice telecommunications equipment
 - Hard MAC requires technician dispatch
 - Soft MAC applies only to voice and security changes that can be done remotely
- Data and Security MACs
 - Equipment are performed on a Time and Materials basis and are excluded from the MAC allowance

■ **MAC Allowance**

- The number of hard and soft MACs included in the seat price
 - Option 1: One Soft MAC for each seat annually and hard MACs equal to 20% of seats
 - Option 2: Soft MACs equal to 15% and hard MACs equal to 35% of total seats

■ **MAC tracking report**

- A daily tracking report to help agencies manage MAC allowance can be found at www.aznet.gov

Definitions

■ Zone

- Geographic locations used as a basis for service level agreements and dispatching costs
 - Zone A: within 5 miles of the following “central sites”
 - Phoenix: 1700 W Washington St.
 - Tucson: 400 W Congress St.
 - Yuma: 7125 E Juan Sanchez Blvd.
 - Flagstaff: 1100 W. Kaibab Ln.
 - Zone B: within 60 miles of a central site
 - Zone C: within 100 miles of a central site
 - Zone D: more than 100 miles from a central site

■ Projects

- Demand Management (DMT)
 - New process for managing telecommunications project requests that require a Project Investment Justification (PIJ) and/or complex engineering
 - Enterprise approach for network investments
 - Solutions are designed, installed and managed by *AZNet*
 - Significant use of “shared” infrastructure
 - Examples include
 - Move to a new building
 - Upgrade or replacement of existing telecommunications equipment
- Big MACs
 - 10 or more MACs on one order
 - Billed as a project, MAC allocation units do not apply
 - Due dates are negotiated

Pricing

- **The FY06 monthly blended seat charge (non-call center) of \$55.00 reduces over time and includes:**
 - Equipment monitoring
 - Repairs with SLAs
 - MACs (within allowance)
 - Investment in the statewide network upgrade and build out
 - Equipment maintenance
 - Telecom expense management
- **Does not include**
 - Carrier charges
 - Ala Carte services
 - DMT Projects
 - Big MAC Projects
 - Security and Data Time and Materials work
 - Other Time and Materials
- **MACs exceeding the allowance**
 - Soft MACs are \$15
 - Hard MACs are \$85
 - Travel charges could apply in Zones C and D

Service Level Agreements (SLAs)

- **Service Levels are measured at the State, not agency, level**
 - Types of SLAs
 - Type 1 SLAs are in effect with penalties at contract start; measures operational performance in two key areas:
 - Cycle time to process and complete MACs
 - Mean time to repair
 - Type 2 SLAs measure system wide performance of the network; these SLAs will be phased in over time
- **SLA credits apply when the service level is missed, measured at the State level**
 - Types of SLA credits
 - Per-incident or percentage of monthly service charges
 - Credits will appear on the monthly *AZNet* invoice

Key Service Levels

Network Availability Service Levels				
	Tier 1	Tier 2	Tier 3	Tier 4
Service Level Commitment	99.999% availability, 7x24	99.99% availability, 7x24	99.95% availability, 7x24	98% availability 7x24
Per Incident Credit	2% of monthly total service fees	10% of affected seats monthly service fees	5% of affected seats monthly service fees	2% of affected seats monthly service fees
Response and Repair Service Levels				
	Severity Level 1	Severity Level 2	Severity Level 3	Site Chronic *
Service Level Commitment	Mean time to repair within 4-10 hours depending on location	Mean time to repair within 6-10 hours depending on location	Mean time to repair within 24-30 hours depending on location	3 or more related Severity Level 1 or 2 outages within one month for same Site
Per Incident Credit	\$500	\$300	\$100	15% of affected seats monthly service fees
Cumulative System Performance Service Levels				
	Cumulative Severity 1 Trouble Tickets	Cumulative Severity 2 Trouble Tickets	System Tier 1 Availability	Service Request Completion *
Service Level Commitment	95% of Severity 1 Trouble Tickets on time over most recent 3 month period	95% of Severity 2 Trouble Tickets resolved on time over most recent 3 month period	99.999% availability of Tier 1 over most recent 3 month period	95% on-time completion of Service Requests for the preceding 3 months
Per Incident Credit	10% of total monthly service fees	10% of total monthly service fees	10% of total monthly service fees	10% of total monthly service fees

Projects

- **All telecommunications projects are performed through *AZNet***
- **Project classifications**
 - Big MAC: 10 or more MACs that do not require complex engineering or a PIJ
 - Demand Management (DMT): large, complex projects
- **Project process**
 - Call or email the helpdesk with your project request
 - *AZNet* management will assess the request and determine its classification
 - Big MAC projects:
 - Due date and price will be quoted
 - Free MAC units are not applicable to projects
 - All work is performed with *AZNet* operations personnel
 - Charges will appear on the monthly *AZNet* invoice that follows the work ticket completion and agency acceptance
 - DMT projects
 - Business requirements will be collected and entered into the project management tool
 - Quote will be prepared for agency approval
 - PIJ process is streamlined and prepared for the agency
 - Equipment will be ordered, project managed and installed by *AZNet* project personnel
 - Charges will appear on the monthly *AZNet* invoice following installation and agency acceptance

Billing

- **Billing**
 - During the transition process, all billable items will be mapped according to agency general ledger practices for internal cost allocations
- **Billport**
 - Online billing system that creates agency specific invoices with drill-down capabilities
 - Invoices include the following charges:
 - Monthly seat and ala carte services
 - Carrier pass-through
 - One time costs: MACs overage, Big MAC and DMT projects
 - TPO and facilities
 - AZNet network
- **Bill Payment Cycle**
 - Accenture acts as an “agent” for payment and disputes
 - Day 0: Carrier invoice(s) received by Accenture
 - 10 days: Carrier services, as billed, put through telecom expense management processing and agency online invoice creation
 - Day 10: email notification of invoice availability sent to authorized agency personnel for review and payment
 - ***20 days allocated for agency payment cycle to ensure carrier late fees are not incurred***
- **2% Discount for Early Payment**
 - An early payment discount of 2% off amounts due to Accenture when received within Net 15 Days of invoice availability
 - Carrier, TPO and AZNet network charges are not eligible for discount

Next Steps

- **Hold Transition Kick-Off meetings and begin the transition process**
- **TPO to continue a coordinated effort with the Governor's Office regarding FY07 telecommunications budget issues**

Key Contact Information

- **Help Desk: 602-364-4444 or AZNETSUPPORTDESK@AZDOA.GOV**
 - MAC orders
 - Report repairs
 - Project requests
 - Billing questions, inquiries and disputes
 - Circuit orders
- **Other questions or issues:**
 - Project Managers:
 - Kevin Meeks: 364-4971
 - Amir Khan: 364-1855
 - Dave Taylor: 364-0239
 - Larry O'Neill: 364-4958
 - Michael Lambert: 364-4969
 - Operations: John Rodi, 602-364-2071
 - Pricing/Contracts: Sandy Clancy 602-542-1439
 - Billing: AZNet Helpdesk 602-364-4444
 - Projects: Laura DuBois-Ward 602-364-1901
- **WWW.AZNET.GOV website contains current information**
 - FAQs
 - Scorecards
 - Transition Schedule
 - Engineering Designs

What to Expect

There are three key points we want you to keep in mind as we move forward with your transition:

- 1. Don't panic. Your Kick-off meeting will provide you with complete details of your next steps.**
- 2. Collecting accurate data in the required time frame is critical to a smooth transition.**
- 3. The transition will be transparent.**

What to Expect

- **What happens the day we transition?**
 - Business as usual
 - The transition will be transparent to you and your staff
 - If you have any type of problems:
 - Call the Help Desk

What to Expect

On the day you transition you will have:

- **Upgraded statewide network with supporting technologies**
- **Improved service levels**
- **Improved network security**
- **A statewide business continuity and disaster recovery program**
- **State of the art billing tools and processes**

QUESTIONS

Any Questions?

Back Up Materials

Committee Membership

- **Telecommunications Executive Governance Committee (TEGC)**
Voting Members

- Arizona Health Care Cost Containment System
- Arizona State Retirement System
- Department of Administration
- Department of Agriculture
- Department of Commerce
- Department of Corrections
- Department of Economic Security
- Department of Environmental Quality
- Department of Public Safety
- Department of Revenue
- Department of Transportation
- Department of Water Resources
- Department of Game and Fish

- **Steering Committee**

- Arizona Health Care Cost Containment System
- Department of Administration
- Department of Corrections
- Department of Economic Security
- Department of Environmental Quality
- Department of Public Safety
- Department of Revenue
- Department of Transportation
- Governor's Office
- Government Information Technology Agency (GITA)

Service Level Building Blocks

■ Tiers

- Four tiers have been established to identify service level expectations based upon the type of equipment and up-time requirements
 - 1 – Includes core infrastructure facilities i.e., data centers, call centers and mall environments. Tier 1 site addresses are specifically identified in the contract
 - 2 - Equipment located in the primary or branch facility that provides voice and data or call center services
 - 3 – Equipment located in a branch location that provides voice and data services to 50 people or less
 - 4 - End user appliances i.e., phones

■ Severities

- Three severity levels have been created to define service degradation/outage impacts and to prioritize repairs
 - 1 or Critical: The entire site is unable to perform critical business functions defined in the Business Continuity/Disaster Recovery Plan or directly impacts the ability to provide critical services to the public
 - 2 or Major: A site's ability to perform mission critical work is in jeopardy
 - 3 or Minor: A problem exists but the site can perform business operations